



Co-operative Federation of Victoria Ltd

P.O.Box 356 Beechworth
Victoria. 3747
Tel/Fax 03 57 282 005
Email:cfedv@netc.net.au

3 December 2000

Mr Bill Newton
Chief Executive Officer
GPDV
Level 1
458 Swanston Street
Carlton VIC 3053

Dear Mr. Newton:

I have read with interest the Policy Issues Paper No 14 Corporatisation of general practice (September 2000).

The paper includes a brief reference to whether Divisions "should have a role in actively promoting alternative co-operative structures, to achieve the possible benefits of corporatisation, while retaining GP control, to address GPs' concerns about both clinical autonomy and financial independence."

It is pleasing to note this reference to the potential of co-operative structures. It is unfortunate that the KPMG Consultancy paper, Corporatisation of General Practices: Scoping Paper (May 2000) ignored the co-operative model in its examination of ownership models for general practices.

Implicit to the corporatisation debate on general practice is the assumption that the important choices are between various private sector models. The co-operative model of ownership, however, is an alternative model that is used for health service provision in Brazil, Japan, Singapore, the U.K. and the U.S.A.

While a general practice could be constituted as a co-operative, this is only one co-operative model. A shared services co-operative, for instance, could be formed by general practitioners to provide services to meet the specific needs of the individual general practitioners while retaining the autonomy of sole proprietor or group practices. The idea is to provide services at a cost that is less than the cost for the individual member purchasing individually e.g. accounting, management, staff recruitment, legal and purchasing.

The Co-operative Federation of Victoria Ltd is committed to the importance of information and education about the co-operative option and, therefore, GPs being informed and educated about ownership options and their respective benefits and limitations.

What ownership model is adopted by GPs depends on aims and preferences and the actual and/or perceived benefits and limitations of the various ownership models i.e. the risks and benefits, governance principles and practices, clinical independence and autonomy, the impact of incentives and ethical dimensions.

If considered appropriate, the Co-operative Federation of Victoria Ltd would be pleased to assist the GPDV in analysing the benefits and limitations of the co-operative model and assist in the development of appropriate information and education materials on the co-operative model for GPs.

In co-operation:

A handwritten signature in black ink, appearing to read 'DG' with a stylized flourish underneath.

David Griffiths
Chairman

Co-operative Federation of Victoria Ltd

Mission and Objects

Mission

To develop and promote the co-operative movement as a means of satisfying the economic and social needs of people.

Objects.

1. Help improve the performance of member co-operatives in the provision of services to their members.
2. Make representations to government on legislation and policies to facilitate the development of co-operatives.
3. Promote co-operatives to the public.
4. Facilitate and promote the formation of co-operatives.
5. Educate co-operative members and the community at large in co-operative principles and practices.
6. Facilitate co-operation between co-operatives.

Co-operative Federation of Victoria Ltd

Membership 2000

Abalone Fisherman's Co-operative Ltd
Architeam Co-operative Ltd
Ardmona Foods Ltd
Active Learning & Communications Co-operative
Amalgamated Taxis Co-operative Wodonga Ltd
Apollo Bay Fishermen's Co-operative Ltd
Avoca District Co-op Ltd
Ballarat Community Development Centre Co-operative Ltd
Bonlac Foods Limited
Carlton Rental Housing Co-operative Ltd
Central Highlands Co-operative Ltd
Central Sires Co-operative Ltd
CEPA Co-operative Ltd
Co-operative Development Services Ltd
Co-operative Energy Ltd
Co-operative Purchasing Services Ltd
Cobden Artificial Breeders Co-operative Ltd
Colac Herd Improvement Co-operative Ltd
Emerald & District Co-operative Society Ltd
Essendon Rental Housing Co-operative Ltd
Euroa Co-operative Society Ltd
Geelong Radio Cabs Co-operative Ltd
Genetics Australia Co-operative Society Ltd
Green Valley Co-operative Ltd
Herd Improvement Co-operative (Maffra) Ltd
Hopetoun Community Hotel Co-op Society Ltd
Kensington Community Children's Co-operative Ltd
Keysborough Freedom Club Co-operative Ltd
Lakes Entrance Fishermen's Co-operative Ltd
Macalister Research Farm Co-operative Ltd
Melbourne Co-operative Bookshop Group Ltd
Mirboo North Community Support Co-operative Ltd
MSA Co-operative Bookshop Ltd
Mt. Murrindal Co-operative Ltd
Mulkirri Co-operative Ltd
Murray Goulburn Co-operative Co Ltd
New Market Co-operative Ltd
North East Telecommunications Co-operative Ltd

North East Victoria Forest Growers Co-operative Ltd
Northcote Rental Housing Co-operative Ltd
Northern Herd Development Co-operative Ltd
Para Park Co-operative Game Reserve Ltd
P.B.E. Water Supply Co-operative Ltd
Primeat Co-operative Society Ltd
Progressive Broadcasting Services Co-operative Ltd
Ruach Community Co-operative Ltd
Rupnorth Co-operative Ltd
Rural Industries Co-operative Ltd
San Remo Fisherman's Co-operative Society Ltd
Skills.Ne3t Association Co-operative Ltd
SouthEast Housing Co-operative Ltd
Southern Energy Co-operative Ltd
South Kingsville Health Services Co-operative Ltd
St. Albans Community Centre Co-operative Ltd
South Gippsland A.B.Co-operative Ltd
Sunshine/St.Albans Rental Housing Co-op Ltd
Terang & District Co-operative Society Ltd
The Western Vic Dairy Research/Demonstration Farm Co-op Ltd
Toora & District A.B. Co-operative Ltd
Urban Camp Melb. Co-operative Ltd
Warmambool Co-operative Society Ltd
Warm Corners Co-operative Ltd
Wathaurong Aboriginal Co-operative Ltd
Waverley Trading Co-operative Ltd
Wholefoods Co-operative Ltd
YCW Co-operative Society Ltd
Yinnar Community Hotel Co-operative Ltd

International Co-operative Alliance

ICA Statement on the Co-operative Identity

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The cooperative principles are guidelines by which cooperatives put their values into practice.

1st Principle: Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5th Principle: Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of cooperation.

6th Principle: Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.